

ARUNACHAL PRADESH PUBLIC SERVICE COMMISSION

Subject: Costing

Time: 3(Three) Hours

Full Marks:100

(Group- A is compulsory, Attempt any Four Questions from Group -B)

Group- A (Compulsory group)

Q.No.1 Write short notes on any 10 (Ten) of the following:

(10X2=20)

- a. Batch Costing
- b. Efficiency Ratio
- c. ABC Analysis
- d. Costing Techniques
- e. Normal Cost
- f. Cost Reduction
- g. Cost Object
- h. Store Ledger
- i. Re-order Level
- j. Job Card
- k. Time Booking
- l. Pay Roll Accounting

Group- B (Attempt any four)

Q.No.2 Attempt any 4(Four) of the following:

(4X5=20)

- a. What is the difference between fixed cost and variable cost?
- b. With following information, calculate (a) Economic order quantity and (b) Total Annual Carrying and Ordering cost at that quantity.
Annual Consumption Rs. 6,00,000 Purchase price of input unit Rs 25.
Annual carrying cost 12% Ordering cost per order Rs 90
- c. What is Weighted Average Price Method? Give Illustration.
- d. How to prevent frauds in wage payment? Explain.
- e. When a collective effort of a group of individuals is necessary for completion of a job?
- f. Highlights the four methods of recording attendance of worker in a factory.

Q.No.3 Attempt any 4(Four) of the following: **(4X5=20)**

- a. From following information calculate:
 - (i) Labour cost Variance
 - (ii) Labour rate varianceStandard hours @ 80 Rs. 6 per hours, Actual hours 100 @ Rs.8 per hours.
- b. Explain the relationship among cost and profit at various levels of activity.
- c. Explain LIFO method of pricing the issue of materials with an example.
- d. What are the advantages and disadvantages of Time Wage System ?
- e. What are the advantages and disadvantages of Time Rate and Piece Rate System of wage Payment?
- f. What is budgetary control?

Q.No.4 Attempt any 4(Four) of the following: **(4X5=20)**

- a. The standard time allowed to complete a job is 100 hours and the hourly rate of wage payment is Rs.10. The actual time taken by worker to complete the job is 80 hours. Calculate the total wages of worker on the basis of
 - (i) Time Rate
 - (ii) Piece Rate
- b. What are the features of Merrick's Differential piece Rate ?
- c. Define cost accountancy and state its advantages to a manufacturing concern.
- d. What is Marginal Costing? Explain.
- e. Why is reconciliation cost and financial account is necessary?

Q.No.5 Attempt any 4(Four) of the following: **(4X5=20)**

- a. What do you mean by centralised purchasing ? Explain its advantages and limitations.
- b. What do you understand by Normal Loss and Abnormal Loss in the context of cost accounting treatment ?
- c. "Cost accounting is neither unnecessary nor expensive, rather it is a profitable investment" Comment.
- d. What is machine hours rate? What procedure is followed for computation of machine hours rate?
- e. Discuss the treatment under/absorption of overheads.

Q.No.6 What earning per hour will a work man receive under the following incentive schemes, if he executes a piece of work in 120 hours as against 150 hours allowed to him. His hourly rate is Rs. 30 and he gets a dearness allowance of Rs. 120 per day of (day of 8 hours) worked in addition to his wages -

- (a) Halsey Premium Plan (50% Bonus)
- (b) Rowan premium plan
- (c) Emerson efficiency plan

(20)

Q.No7 What are the different methods of calculating project on an incomplete contract?
Explain with illustrations. **(20)**

Q.No.8. From the following information, prepare Process Accounts: **(20)**

	Process A	Process B
Other materials (Rs.)	12,000	6,000
Direct Labour (Rs.)	14,000	8,000
Direct Expenses (Rs.)	4,000	4,000
Output (units)	9,400	8,300
Normal wastage (rate)	5%	10%

10,000 units of raw materials @ Re. 1 per unit were introduced in process A. The scrap value of wastage (normal) in process A is Rs. 8 per 100 units and in process B is Rs. 10 per 100 units.